



ADVANCING THE PROFESSION

AND THE PROFESSIONAL.

June 22, 2005

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20554

RE: MB Docket No. 05-171

Ms. Dortch and members of the Commission:

In the matter of the Federal Communications Commission review of rules and regulations applicable to use of video news releases by broadcast licensees and cable operators, I am pleased to submit the attached comment and supporting materials on behalf of the Public Relations Society of America (PRSA). PRSA, with more than 20,000 members, is the largest organization of public relations professionals in the world. Our members, along with the 8,000 members of our ancillary Public Relations Student Society of America, are regularly involved — or will be involved — in the production of video news releases and other prepackaged materials developed for optional use by broadcast media.

PRSA shares the view of the FCC that the public is best served by full disclosure of sources and sponsorship of these prepackaged materials. We also believe that existing rules and regulations, coupled with vigorous self regulation by all those involved at every level in the production and dissemination of prepackaged broadcast materials, will achieve the end of full disclosure.

Sincerely yours,

A handwritten signature in cursive script that reads "Judith T. Phair". The signature is written in black ink and is positioned above the typed name and title.

Judith T. Phair, APR
President and CEO
Public Relations Society of America

Attachments:

- Full Comment of Public Relations Society of America, pp 1- 16
- Appendix One, PRSA Member Code of Ethics, pp 17-22
- Appendix Two, Professional Standards Advisory PS-3 (August 2004): "Front" Groups, pp 23-24
- Appendix Three, Statement of the Public Relations Society of America (PRSA) on Video News Releases (VNRs), April 20, 2004, pp 25-26
- Appendix Four, Professional Standards Advisory PS-6 (April 2005): Disclosure by Expert Commentators and Professional Spokespersons of Payments or Financial Interests, pp 27-29



Response to Request for Comment

Federal Communications Commission

MB Docket No. 05-171

Video News Releases

Executive Summary

The Federal Communications Commission seeks public comment on its recent reiteration of commission rules governing prepackaged news, like Video News Releases (VNRs) and whether those rules are sufficient to insure that the public is well informed concerning all sources and financial sponsorship of materials broadcast by licensees and cable TV outlets.

The Public Relations Society of America has standing to provide comment on that issue because many of its more than 20,000 members are actively engaged in the production of VNRs and other prepackaged materials distributed to the media. Furthermore, PRSA, and the Public Relations Student Society of America with its more than 8,000 members, have a longstanding commitment to preserving and improving ethical practices in all aspects of the public relations profession.

Prepackaged news materials, including VNRs, are important tools for communication in a free, open society. PRSA contends that excessive government regulation on the production and dissemination of such materials could have a chilling effect on open communication and work against providing the public with vital, interesting information from myriad points of view and sources.

PRSA believes that the vigorous self-regulation of standards for excellent ethical practices already in place among those industry segments that are involved in the production and dissemination of prepackaged materials provides broadcasters and, ultimately, the public with all the information required to make decisions about the sources of information and financial sponsorship of prepackaged materials.

Examples of the excellent practices embraced by PRSA include an adherence to provisions of the organization's code of ethics that has been in place for more than 20 years. More recently, using provisions of that code as a basis, PRSA has reinforced the following unequivocal position to its members, to others involved in the production and dissemination of prepackaged materials and to the public: All prepackaged materials should contain a complete disclosure of the sources of information, the transparent identification of individuals or organizations who paid for, sponsored or initiated the production of the materials, and an explicit revelation of interests/points of view represented in the materials.

In early 2004, for example, PRSA issued a statement that said, in part, that any VNR that included narration or video using paid actors as an attempt to mislead broadcasters or the public into believing that those spokespersons were representatives of independent or network media organizations is considered a deceptive practice under provisions of the PRSA code. Earlier in 2005, PRSA reiterated that the code required full disclosure of sources and sponsorship of prepackaged materials and specified other ancillary activities that also would be considered deceptive practices under provisions of the code.

In May 2005, testifying before a U.S. Senate committee, PRSA's top elected official stated that those who produce prepackaged news materials for or on behalf of federal government agencies or programs should fully disclose that the materials are government-sponsored, and clarify that those materials were not produced by an independent news organization. At the same hearing, the PRSA president and CEO endorsed a proposal codifying a mandate for such disclosure in all future productions/prepackaged materials paid for by government funds. (As a note, PRSA holds that such disclosure should apply to all productions/prepackaged materials whether they're produced with government or private funds.)

PRSA believes that the FCC sponsorship identification rules, which relate to broadcast of materials involving some financial or promotional consideration for broadcasters or their representatives for materials that are used on the air, should be enforced.

Although the organization contends that the FCC rules for disclosure by broadcasters of materials that are controversial or political materials are inherently vague, PRSA believes that the application and self-enforcement of full disclosure standards for ALL prepackaged materials that are distributed to broadcasters will provide broadcasters with enough information to make better, more informed decisions about the nature of the materials.

In summary, PRSA contends that the current level of interest by Congress, the FCC and the public stems from a few well-publicized examples of materials that were produced and disseminated without full regard for existing standards for ethical, transparent practices in the public relations and broadcasting industries.

PRSA believes that existing law and regulatory processes are in place and will be sufficient to rectify such lapses as they occur.

The vast majority of those involved in the production and dissemination of VNRs and other prepackaged material already engage in full disclosure of sources and sponsorship of the materials. The public relations industry is continuously engaged in programs for education to help preclude future abuses and strives to set a positive example through "best practices."

Response to Request for Comment

Federal Communications Commission

MB Docket No. 05-171

Video News Releases

Introduction

For more than a year now, starting at the height of the 2004 presidential campaign, public attention has been focused on the use of video news releases (VNRs), or prepackaged news stories, that at the time of their airing by regulated broadcast licensees and cable news have not exhibited adequate disclosure of their sources of information and/or of their financial sponsorship.

VNRs that received particular notoriety promoted the U.S. Department of Education's administration of the "No Child Left Behind" act and the Health and Human Services promotion of new prescription drug laws for the elderly. The Government Accountability Office issued reports broadly defining the nature of VNRs and other prepackaged news.¹ The GAO stated that some recent VNRs may have violated prohibitions against use of public monies to pay for propaganda since it was not clear in these cases that the U.S. government² was the source of the material.

Subsequently, members of Congress introduced legislation³ to regulate VNR production by government entities and their agents. In April, Congress approved and President Bush signed into law an emergency appropriations measure that included an amendment authored by U.S. Sen. Robert Byrd of West Virginia to place source disclosure requirements on prepackaged news, including VNRs, produced by the federal government. That amendment, which expires Sept. 30, 2005 unless Congress acts to make it permanent law, says in its entirety:

Unless otherwise authorized by existing law, none of the funds provided in this Act or any other Act, may be used by an executive branch agency to produce any prepackaged news story intended for broadcast or distribution in the United States unless the story includes a clear notification within the text or audio of the prepackaged news story that the prepackaged news story was prepared or funded by that executive branch agency.⁴

¹ U.S. Government Accountability Office, Advisory B-304272, Feb. 17, 2005

² GAO, B-302710., May 19, 2004.

³109TH Congress, 1st Session, S. 967 To amend the Communications Act of 1934 to ensure that prepackaged news stories contain announcements that inform viewers that the information within was provided by the United States Government, and for other purposes; H.R. 373, to require notification to Congress of certain contracts, and to amend title 31, United States Code, to prohibit the unauthorized expenditure of funds for publicity or propaganda purposes.

⁴ 109TH Congress, 1st Session, H.R.1268, Emergency Supplemental Appropriations Act for Defense, the Global War

And now the Federal Communications Commission is revisiting its existing regulations concerning the use of prepackaged news releases and VNRs by broadcast licensees and cable operators.

Public Relations Society of America Standing for Comment

The Public Relations Society of America has standing to offer comment and recommendations to the FCC and other government entities considering the role of VNRs and prepackaged news materials in our nation.

PRSA is a 501c(6) professional organization representing more than 20,000 professionals who practice public relations in every state of the United States. Members of the Society include small business people and sole practitioners, employees of government agencies, corporations, academic institutions, law firms and professional services practices, public relations firms with a wide array of specialties and focuses, and nonprofit institutions of every description. PRSA membership also includes technical practitioners who provide services to the industry, such as the preparation and distribution of VNRs and other broadcast-quality materials.

The Society operates under the direction of a board of directors, elected each year by the general membership. Each year PRSA members also elect a president and other officers for one-year terms by the members. Guidance for the organization in fulfilling its mission — to advance the profession of public relations and public relations professionals through education, innovation and adherence to a strong code of ethical behavior — stems from the organization's published bylaws. Guidance on the organization's expectations of individual members for ethical behavior and professional conduct behavior in their daily activities in the practice of public relations stems from the PRSA Member Code of Ethics, which each member is obliged to sign as a prerequisite for joining PRSA. In addition, PRSA provides a rigid certification process, Accreditation in Public Relations (APR) for members who demonstrate an advanced level of professionalism in their practice of public relations. As of June 17, 2005, 4,144 public relations professionals carry the APR designation.

PRSA's organizational structure subdivides into ten regional Districts and 114 local Chapters throughout the United States and the District of Columbia. It is safe to say that each local Chapter, although operating independently, is a virtual microcosm of the national organization in terms of organization and local membership.

The 8,000 plus-member Public Relations Student Society of America has 262 Chapters on campuses at colleges and universities throughout the United States and serves early professional development needs of people who are considering, or about to embark upon, careers in public relations.

In addition, PRSA representatives participate in various initiatives with other public relations organizations and ancillary societies in the United States and abroad that address common problems and issues touching the practice of global public relations. PRSA leaders, for example, recently traveled to China to meet with leaders of the fledgling public relations community in that

on Terror, and Tsunami Relief, 2005, Section 6076.

nation, all of whom are keenly observant of the U.S. model for public relations — a model built around voluntary codes of ethics and self-regulation and a commitment to the free flow of information in an open society that balances transparency, candor, full disclosure of all pertinent information with the rights of individuals and organizations to operate without undue restraint.

The VNR and prepackaged broadcast news story issue focuses on an important but still narrow subset of the overall discipline of media relations. In that limited role, our job as public relations professionals is to help the media tell a story well by providing information that members of the media could not easily obtain on their own. We offer visual materials, such as video footage, that broadcast news organizations could not produce with local resources.

PRSA Position on Disclosure of Sources and Sponsorship of Prepackaged Broadcast Materials

In the mix of important tools for communication in an open society, PRSA stands for nothing short of excellent practice in the use of video news releases and other prepackaged news. PRSA's definition of excellence includes complete disclosure and transparency in the production and distribution of these materials to leave no doubt with anyone who should view them as to the sources of information and financial sponsorship of those materials. We believe that most of those involved in the production and distribution of VNRs adhere to that standard.

Prepackaged news releases are an essential part of the open and free flow of information throughout our society. Their proper use can facilitate communications between government and non-government organizations and their publics. Video and print news releases package and distribute information in a way that is most easily used by broadcast and print media.

In the government sector, for example, VNRs have been effective components of government-sponsored public service campaigns. They have informed the public about new labeling requirements for over-the-counter drug supplements, promoted seat belt usage, introduced new currency, informed taxpayers about online filing, and encouraged individual actions for cancer detection and prevention. These campaigns have served the good of society and the American people.

VNRs also help advance communication between corporations, nonprofit organizations and other entities in communicating vital and important information.

The Journal of the American Medical Association (JAMA) produces weekly VNRs that include interviews with top medical authorities from around the world on topics related to health and wellness of Americans. JAMA is able to film interviews with the leading expert on a particular topic, no matter where that expert is located — New York City or Salt Lake City. Via the VNR, JAMA is able to make those interviews available to local TV news organizations in cities across the United States that would never be able to obtain such interviews on their own because of time, travel and budgetary constraints.

A foreign aircraft manufacturer, for example, recently conducted a test flight in France of its newest commercial airliner — an event of interest to news organizations around the world. There is no way

that all those organizations could have all had cameras in the cockpit of that aircraft during the flight, so the manufacturers' prepackaged video from that flight helped bring that story to people around the globe.

And some VNRs and prepackaged broadcast news and feature material, while promoting brand awareness or new products, are important purely for their creativity and entertainment value. Numerous television stations around the United States, for example, ran VNRs and other prepackaged material associated with the 100th anniversary of the Harley-Davidson motorcycle while local television weather reports found amusing on the hottest day of the year to use prepackaged video from an ice cream manufacturer from a staged event in Death Valley, Calif., that involved tons of snow trucked in from the Sierra Mountains.

PRSA has stated clearly and emphatically that the use of such important and effective communication tools carries with it some significant responsibility. The organization's current code of ethics and the code that preceded it both advise members to reveal the sponsors for causes and interests they represent and to avoid deceptive practices.⁵ In early 2004, when the current controversy over prepackaged news emerged in the media, PRSA issued a statement to its members and the media stating that organizations that produce VNRs should clearly identify the VNR as prepackaged news and fully disclose who produced and paid for it at the time the VNR is provided to TV stations. In addition, the statement recommended that organizations that prepare VNRs should not use the word "reporting" if the narrator is not a reporter. The statement also recommended to broadcasters who use such materials that they should identify the source when any of the material is aired.⁶ On May 12, 2005, testifying before the U.S. Senate Committee on Commerce, PRSA President and CEO Judith T. Phair supported legislation to "require full disclosure of the sources of government VNRs." Although Phair stated that disclosure to the public of the sources of such materials could come in many forms and should ultimately be the responsibility of each broadcaster as to how that disclosure occurs, she added:

We believe public relations professionals involved in producing video news releases should provide broadcasters with all the information they need in order to decide the best way to use the information contained in the releases.⁷

On a direct question by U.S. Sen. Ted Stevens of Alaska, Phair stated that PRSA would have no objection to the Byrd amendment's being enacted into permanent law.

In January 2005, PRSA issued to the media and its members a statement prompted by news reports of allegations of impropriety in government-sponsored dissemination of news. Quoting Ms.

⁵ *PRSA Member Code of Ethics*, which is signed voluntarily by each member of the organizations. It is published at <http://www.prsa.org/About/ethics/disclosure.asp?ident=eth5> and is attached to this document as Appendix One. The current code has been in place since 2000. It replaced a previous code that had been last revised in 1988.

⁶ *Statement of the Public Relations Society of America (PRSA) on Video News Releases (VNRs)*, April 20, 2004, published at: <http://www.prsa.org/News/leaders/vnrs0404.asp> and appearing in this document as Appendix Three.

⁷ Judith T. Phair, president and CEO, Public Relations Society of America, testimony before the U.S. Senate Committee on Commerce Science & Transportation, Washington, D.C., May 12, 2005.

Phair, the statement said:

PRSA strongly objects to any paid endorsement that is presented as objective news coverage and is not fully disclosed. Such practices are clearly contrary to the PRSA Member Code of Ethics, which requires that public relations professionals engage in open, honest communications, and fully disclose sponsors or financial interests involved in any paid communications activities. We encourage all public relations professionals to follow the responsible and ethical practice of public relations, as outlined by our Code of Ethics.⁸

PRSA's position on VNRs and prepackaged news, however, goes well beyond those prepared by, and on behalf of, agencies of the U.S. government. PRSA insists that *any* VNR or prepackaged broadcast material should be produced and disseminated with the highest levels of transparency, candor and honesty. To provide open communication that fosters informed decision, we must do more than simply funnel information to the public through the media. We must reveal the sponsors for the causes and interests represented and disclose all financial interests related to the VNR.

The PRSA Code of Ethics, professional development initiatives and even the PRSA awards presented for best practices in production of VNRs and other prepackaged broadcast materials emphasize honesty and accuracy in all communications and that all public relations practitioners involved in the production and dissemination of these materials must always reveal the sponsors for, causes addressed and interests represented by these materials and disclose all financial interests related to the materials to the broadcast entities receiving the materials.

Although there have been a few well-publicized departures from those guidelines, PRSA believes, based on experience of its leaders and members, that most public relations professionals and the firms they work with to produce and disseminate VNRs are consistently practicing full disclosure of sources and sponsors to the broadcast media.

PRSA believes that all of those involved at any point in the chain of production and distribution of prepackaged material for broadcast media should voluntarily and painstakingly disclose original sources and sponsorship of the material to broadcasters so the broadcasters themselves will have the information they need to:

1. Make informed decisions about whether to use the materials and how to use the materials.
2. Make better decisions on how to disclose sources of information to their viewers within the confines of their own production values and news-gathering and reporting standards.

PRSA also discourages and condemns use of any technique in the production and dissemination of a VNR that could mislead the public or broadcasters as to the true source and sponsorship of the material. As an example, PRSA does not condone the use of individuals who are hired to pose as news reporters and news anchors to convey the impression that the material was produced by an independent news-gathering organization or by a freelance reporter/producer who gathers news

⁸ Public Relations Society of America, "Statement on Senate Investigation of Government Public Relations Contracts," Jan. 14, 2005.

objectively and independently and packages it for sale to broadcast news outlets. In another example, PRSA would discourage production of a VNR by a “front group” or an organization that masks the true source of information and sponsorship or the point of view expressed in the prepackaged material from the public or broadcasters.

PRSA's concern about some of the proposed congressional initiative and about the broader application of existing FCC regulations is that they could exceed the initial intent of the initiatives, which was to ensure full disclosure to the public of all information they receive through broadcast media. PRSA believes, for example, that the establishment of a specific format for disclosure of sources and sponsorship within the prepackaged material or VNR would actually discourage broadcasters from using the material and deprive the public of the kinds of information it needs and wants.

Additionally there is a concern that some of the initiatives — and those involved with them — equate prepackaged news and feature material with “propaganda.” Although some of the elements associated with propaganda — using half-truths and one-sided arguments, manufactured “evidence” and dubious statistics, broad statements, emotion-laden terms, guilt by association and “bandwagon” appeals — certainly could be fomented in a VNR or prepackaged news story, the issue should not be with the cosmetic configuration of the “tool” but with the people or organizations who would use that tool improperly and unethically.

Furthermore, an industry-imposed “self-regulation” that would fully and accurately identify sources and sponsorship would also counteract some of the vagaries that exist in current regulations. For example, a broadcaster might more easily determine that a VNR addresses a potentially “controversial” subject, or an issue related to a “political” initiative, if sources and sponsorship of prepackaged materials were apparent.

For self-regulation to be effective, PRSA suggests that this disclosure should be proactive, rather than merely a passive attempt to comply with standards or regulations. For example, source and sponsorship information should be clearly stated on the VNR package itself. In addition, the public relations practitioner who may call or e-mail a broadcast news director as an alert to the VNR, or to pitch it for use in a specific broadcast program, should also state clearly the source of the material.

Here are some of the steps PRSA takes to keep its members informed about the ethical standards that come into play in the day-to-day course of their business activities and the importance of proactive approaches to building public trust and credibility:

- PRSA routinely publishes ethics and standards advisories to its members, as it did in mid-2004 when some of the first news reports about questionable VNRs surfaced. The organization states its positions in opinion pieces and provides interviews to both trade media and general consumer media at every opportunity.
- PRSA annually bestows awards for best practices in audio and video news release production and part of the criteria for selecting recipients — reinforced with the latest panel of judges who selected the best practices of the art — is the disclosure.
- PRSA routinely offers professional development courses on specific tactics, such as production of VNRs and in those the disclosure requirements are also reinforced.

- In PRSA's Accreditation in Public Relations, individuals who go through the APR Accreditation process must be well versed in such ethical practices of the profession as proper disclosure of the sources and sponsorship of materials sent to the media.

PRSA is the largest professional organization serving the public relations profession, but it is not the only one. In the past year, due to action influenced in large measure by the controversy surrounding VNRs, PRSA has reached out not only to other public relations organizations, but also to organizations representing corporate ethics officers, investor relations personnel and the media, to enhance uniform understanding and application of the ethical standards all the organizations embrace.

One result was the first "ethics summit," which occurred in March 2005 in New York and involved a number of organizations, including PRSA. As result of that meeting, PRSA and the Society of Professional Journalists have taken the initiative to create cross-discipline panels for sessions at each of our national conferences later this year that will discuss, among other things, the ethical, transparent use of prepackaged news materials. Subsequently, PRSA and the Radio and Television News Directors Association initiated preliminary discussions about working together on cross-industry education and informational programs on this subject.

FCC Regulation of Prepackaged News

VNRs, even those used by government agencies, are not new. And as the Federal Communication Commission demonstrated in its April 13, 2005 call for comment on the use of VNRs by broadcasting entities, neither are VNRs new to controversy and confusion.

One example of this is the very definition of prepackaged news for broadcast media. In its call for comment on this issue, the FCC defined VNRs as

VNRs are essentially prepackaged news stories that may use actors to play reporters and include suggested scripts to introduce the stories. These practices allow such externally prepackaged news stories to be aired, without alteration, as broadcast or cable news.⁹

The GAO in its definition said that:

Prepackaged news stories are complete, audio-video presentations that may be included in video news releases or VNRs. (footnote: Among other things, typical VNRs may also contain "B-roll" video clips, advertisements, and public service announcements.) They are intended to be indistinguishable from news segments broadcast to the public by independent television news organizations. To help accomplish this goal, these stories include actors or others hired to portray "reporters" and may be accompanied by suggested scripts that television news anchors can use to introduce the story during the broadcast. These practices allow prepackaged news stories to be broadcast, without

⁹ Federal Communications Commission, Public Notice, FCC 05-84, April 13, 2005

alteration, as television news.¹⁰

The various definitions tend to combine a variety of materials and techniques and cross some demarcation lines between unrelated disciplines (i.e., public relations and advertising). For example, advertising professionals generally deal with “paid” media. In other words, advertising professionals buy space in a newspaper or magazine, on a Web site, or commercial time from a television or radio station, that guarantee broadcast or dissemination of their “unedited” messages. Public relations professionals, on the other hand, routinely work with “unpaid” media. They provide material, free of charge, to news organizations. There are no guarantees that the material will not be edited or discarded entirely. Whereas advertising — even broadly disseminated advertising — involves some kind of individual contract with each media organization that displays the material, the kinds of prepackaged media associated with public relations is almost always distributed broadly without any sort of prearranged agreement about its use.

The commission, in its call for comment, focused on two types of material furnished to broadcasters:

1. Prepackaged material that involves some financial or promotional agreement between the provider and the broadcaster.
2. Prepackaged material that involves political or controversial materials.

Although PRSA would contend that prepackaged material that involves some financial or promotional agreement between the provider and the broadcaster falls under the definition of advertising, and is subject to FCC sponsorship rules already in place, to the extent that public relations professionals are involved in arrangements that include financial or promotional considerations, the same rules should apply.

The commission notes that there currently is no specific disclosure requirement on broadcasters for materials provided to the broadcasters free — unless the materials are deemed to be of a controversial or political nature. PRSA maintains, however, that those who provide any VNRs or prepackaged materials to broadcasters, even if they are not deemed to be political or controversial in nature, should fully disclose the exact source and sponsorship of those materials.

The Sponsorship Identification Rules

According to the FCC call for comment, the sponsorship identification rules contained in sections 317 and 507 of the Communications Act of 1934 and in the Commission’s rules generally require that, when payment has been received or promised to a broadcast licensee or cable operator for the airing of program material, the station or cable system must disclose at the time of the airing that fact and identify who paid or promised to provide the consideration.

There are also provisions in section 507 of the law and for reporting such financial or promotional considerations by those who engage in such arrangements with broadcasters in exchange for airing prepackaged materials.

¹⁰ GAO Advisory B-304272, previously cited.

PRSA unequivocally and enthusiastically supports both the spirit and the letter of the law and regulations in this manner. There should be full disclosure by all parties involved.

Political and Controversial Issue Programming

PRSA contends that the FCC rules for disclosure by broadcasters of materials that are controversial or political materials are inherently vague. Similar to provisions in the regulations governing broadcast of materials that could be deemed objectionable or obscene, broadcasters must at the time of broadcast make the determination for themselves as to whether material is political or controversial in nature. But the fact is that in this day and time in a free society almost any subject matter could be deemed controversial or political in nature by some individual or special interest organization. And that "after the fact" determination of the nature of the material could pose a threat to broadcasters.

The Commission notes that "Congress has acknowledged the danger that groups advocating ideas or promoting candidates, rather than consumer goods, might be particularly inclined to attempt to mask their sponsorship in order to increase the apparent credibility of their messages," which further exacerbates the problem for broadcasters.

PRSA, however, believes that application and self-enforcement of full disclosure standards on ALL prepackaged materials that are distributed to broadcasters will provide broadcasters with enough information for them to make better, more informed decisions about the nature of the materials and reduce prospects that they will inadvertently broadcast as "news" materials that could later prove to be controversial or political in nature. Self-regulation, based on existing standards for disclosure and transparency within the industry, should alleviate concerns of the Commission in this respect.

Answers to Specific Questions:

To specific questions posed by the Commission in its call for comment:

- 1. Are mechanisms in place to ensure that broadcast licensees and cable operators receive notice regarding the payment of consideration from all individuals and entities that are involved in the production and provision of VNRs?**

PRSA's position, stated previously, is that the FCC clearly provides for disclosure by both broadcasters and providers when there are financial considerations for the airing of the material. Those involved at all levels in the production and dissemination of prepackaged news, including materials prepared for free distribution to broadcasters or those for which some financial or promotional consideration from broadcasters is at play, have an obligation to fully disclose the sources and sponsorships of those materials.

On April 26, 2005, the PRSA Board of Ethics and Professional Standards published an advisory on the issue related to the failure of commentators and professional spokespersons to disclose that they have been paid to promote a cause or point of view, or that they have a financial interest in the products or

organizations on which they purport to provide expert opinion, commentary or information:

“Spokespeople, commentators, product experts or others who offer opinions or points of view within the news media have a responsibility to disclose any financial relationships they may have with a person, organization, product or other entity on which they offer comment or perspective. This responsibility extends to public relations professionals who may enlist such spokespersons on behalf of a client. Moreover, the responsibility is an affirmative one: it cannot be left to reporters or others involved in the process.”¹¹

The advisory outlined the proactive nature of the public relation’s professional’s responsibility in such circumstances:

1. To be proper, commercial relationships must be disclosed in advance or simultaneously in the same public forum to ensure that those affected or influenced can make informed and knowledgeable decisions.
2. Every participant in the chain of the financial relationship has an affirmative duty to disclose the relationship. Failure to disclose is improper conduct under the [PRSA] Member Code of Ethics.
3. PRSA members have important responsibilities in such cases. The Code requires honesty and accuracy in all communications, and requires members to reveal the sponsors for causes and interests they represent and any financial interest they or their clients may have in the outcome of events or individual decisions.

Although prepackaged news materials were not specifically mentioned, the sample principles apply to PRSA’s position on FCC sponsorship rules.

PRSA believes that existing FCC rules and regulations, coupled with education-based self-enforcement of codes of various professional organizations representing those who are involved at all stages of the productions and dissemination of prepackaged news material, are sufficient.

- 2. Are mechanisms in place to ensure that broadcast licensees and cable operators receive notice regarding the identity of entities providing programming involving political material or the discussion of controversial issues of public importance?**

As PRSA understands the situation, based on May 12, 2005 testimony before the U.S. Senate Commerce, Science & Transportation Committee by Austin Schlick,

¹¹ PRSA Professional Standards Advisory PS-6 (April 2005), “Disclosure by Expert Commentators and Professional Spokespersons of Payments or Financial Interests,” April 26, 2005, published on the PRSA Web site at http://www.prsa.org/_News/leaders/ps60426.asp and attached here as Appendix Four.

acting general counsel of the Federal Communications Commission, and by FCC Commissioner Jonathan S. Adelstein, the initial determination of what is “controversial” and what is “political” is left largely to the broadcasters. Ultimately, however, the commission or the courts could rule, following complaints, that the broadcaster erred in the initial judgment.

For that reason PRSA believes that ALL prepackaged news be identified by those who produce them as to the source of information and sponsorship of the prepackaged material so broadcasters will have all the information they need to make an informed decision about how to use the material.

Furthermore, PRSA would recommend to individual broadcasters that they implement a policy and procedures for disclosing to the public their use of prepackaged materials from any source.

That’s just prudent policy.

In this day and time, with the evolving media environment, even the most seemingly benign cause can become controversial. For example, a pharmaceutical company may produce a video news release about its work in under-developed countries to eradicate a disease — both to educate the public about the disease and, admittedly, to enhance its image as a good corporate citizen of the world. But a handful of stockholders in the company may object to the program of providing medicines free to those under-developed countries while charging for those same medicines in other areas of the world. Likewise, you will not have to scratch any issue too deeply to find a political agenda for someone. Would, for example, a VNR about the use of state lottery money to provide college and university scholarships be deemed by a potential opponent to be a “political” promotion on behalf of the lawmaker who proposed the initiative? Or would it be deemed “controversial” by an organization which espouses a belief that any form of gambling is immoral?

When PRSA advocated “full disclosure” by those who produce VNRs, it goes beyond just mere disclaimers in prepackaged material and “heads-up” advisories in pitch scripts practitioners may employ in trying to convince broadcasters to use the information. The organization also dissuades its members from participating in any ruse or attempt to obfuscate or disguise the source of information.

PRSA Board of Ethical and Professional Standards (BEPS) Advisory on 527s and “Front Groups”

Although PRSA believes that many Section 527 groups and other similar organizations have legitimate purposes in educating the public and opinion leaders on important issues, we are not so ingenuous as to believe there have not been and will not be abuses or that some unscrupulous practitioners involved with such “front” organizations would never think of using prepackaged news stories and a means of propagandizing the media or the public. For PRSA, however, full

disclosure means disclosing the full chain of “ownership” of those who contributed to or control and/or influence the content of prepackaged news. In an advisory published on August 14, 2004 by the PRSA Board of Ethics and Professional Standards, PRSA discouraged its members from concealing the interests they truly represent on any issue. The advisory stated emphatically that:

PRSA members should recognize that assisting front groups that represent undisclosed sponsorships and/or deceptive or misleading descriptions of goals, causes, tactics, sponsors or participants constitutes improper conduct under the PRSA Member Code of Ethics and should be avoided.¹²

PRSA believes the PRSA "Disclosure of Information" provision in its code of ethics and professional conduct — based on the premise that open communication is essential for informed decision-making in a democratic society — is very clear. The provision states that a member shall:

- Be honest and accurate in all communication.
- Act promptly to correct erroneous communication for which the member is responsible.
- Investigate the truthfulness and accuracy of information released on behalf of those represented.
- Reveal the sponsors for causes and interests represented.
- Disclose financial interest such as stock ownership of the client organization.
- Avoid deceptive practices.¹³

Comment on the Use of Misleading Terminology in VNRS (“Reporting from Washington”)

In its definition of prepackaged news, the FCC noted that VNRS “may use actors to play reporters and include suggested scripts to introduce the stories.”¹⁴ One of the controversial VNR packages cited as problematic during the May 12 Senate Commerce Committee hearing by the GAO seemed, in the judgment of PRSA, to have contained enough disclaimer information for a rational viewer of the entire package to discern that the source was the U.S. government.¹⁵ However, as we understand it, only the segment of the entire VNR that appeared to be a news story had been distributed from a larger news organization to its smaller affiliates

¹² *PRSA Member Code of Ethics*, previously cited.

¹³ Summary from *PRSA Member Code of Ethics*, previously cited.

¹⁴ FCC Public Notice FCC 05-84, April 13, 2005, quoting Joe Mandese, *The Art of Manufactured News*, BROADCASTING AND CABLE, March 28, 2005, at 24; David Barstow and Robin Stein, *The Message Machine: How the Government Makes News; Under Bush, a New Age of Prepackaged News*, N.Y. TIMES, March 13, 2005, at A1.

¹⁵ Get specific citation from video of committee hearing

without any sourcing material. In addition, the narrator of the piece concluded by saying "Reporting from Washington, this is Karen Ryan." Some stations aired the piece apparently thinking it had been produced by the larger network.

Although any system created by human beings will have this kind of occasional flaw, PRSA believes the chance of error will be reduced significantly if those who produce VNRs do not employ such tactics. In fact, in a statement issued to our members on April 14, 2004, our Board of Ethics and Professional Standards weighed that very issue against the PRSA Member Code of Ethics.

"One of the issues raised about the DHHS VNR was the inclusion of a sign-off identification at the completion of the story that uses the words 'reporting.' This has caused some confusion among people who question whether someone who is not actually a reporter should be identified in a manner that could suggest that he or she is a journalist. While this is often done when VNRs are produced, we agree that this can be considered confusing and/or misleading.... PRSA recommends that organizations that prepare VNRs should not use the word 'reporting' if the narrator is not a reporter."¹⁶

Do broadcast licensees and cable operators receive VNRs as part of an overall news service, which may be provided under contract or on a subscription basis? If so, should this affect the applicability of our sponsorship identification rules?

PRSA believes the FCC regulations governing disclosure of financial consideration — i.e., payment of a broadcasting entity to air specific material — are quite clear. Broadcasters should disclose all instances of such arrangements, just as they differentiate paid commercial advertising from normal programming. The vehicle used to distribute such sponsored materials is immaterial.

Most prepackaged news, however, is not covered by FCC sponsorship identification rules. It is distributed to broadcasters without any financial consideration or prearranged condition for use.¹⁷ Just as news reporters are free to use information in a print press release at their own discretion, so should broadcasting entities be free to use this unpaid material at their discretion — and determine for themselves how to disclose the source of the information to their viewers.

Public relations practitioners distribute VNRs, prepackaged news and B-roll to broadcasters in many ways: from the old standby one-to-one distribution of the material on tape or disk to individual stations by mail, overnight service of hand

¹⁶ *Statement of the Public Relations Society of America (PRSA) on Video News Releases (VNRs)*, April 20, 2004, published at <http://www.prsa.org/News/leaders/vnrs0404.asp> on the PRSA Web site and attached to this document as Appendix Three.

¹⁷One exception might be that an individual broadcast news organization may specifically request prepackaged material on an "exclusivity" arrangement or an agreement that some of the materials will be used in a broadcast, but even in that sort of instance, there would be no financial consideration or sponsorship arrangement.

delivery, to use of space on Pathfire digital media servers installed in individual data centers of broadcast entities around the world.

Here are some other specific ways VNRs find their way to broadcasters:

- For a fee paid by the distributor, CNN will place up to five minutes of unedited material on a separate section of its regular digital media feed to broadcasting affiliates.
- CBS also offers a fee-based “corporate feed” to its affiliates that requires that the funding source for the material be clearly identified although it, too, is not subject to any sort of journalistic editing by CBS gatekeepers.

FOX also provides feeds to its affiliates by a limited number of vendors. In addition, if the network gatekeepers deem the material has some intrinsic news value, even though it is prepackaged and paid for by non-network sources, it will on occasion supply the material to newscast producers at its 115 domestic television stations through Fox News Edge proprietary service. The materials are labeled to differentiate them from standard network news feeds. Fox has a standing agreement with one VNR distributor to convey all material it distributes on behalf of clients to Fox affiliates through Fox News Edge.

PRSA believes that those who distribute VNRs and other pre-packaged news materials should disclose to broadcasters — regardless of business or contractual relationships they have with their clients — the source and sponsorship of the material. The net result, PRSA believes, should be full transparency and clarity of the source and sponsorship of the VNR or prepackaged material, but that the transparency should be self-regulated by those involved. The FCC should not expand its sponsorship identification rules to include prepackaged materials for which there is no sponsorship arrangement.

Are alternative or better means of ensuring proper disclosure concerning VNRs in addition to those prescribed by the existing rules?

If there has been one benefit of the controversy surrounding prepackaged news and VNRs in the past year, it has been that organizations like PRSA, those involved with the production and distribution of such materials, and organizations representing the media have begun working close together to strengthen the self-regulation process as it relates to disclosure of sources and sponsorship of VNRs. Such self-regulation is the ideal solution for ensuring proper disclosure.

For example, the existing rules for disclosure of materials that are controversial or political impose some vagary on the process. A broadcaster must make a judgment about whether material is controversial. Litigation could result if someone subsequently questions that judgment. Without a clearer definition of

what will be deemed controversial and political, coupled with the FCC's statement that it will vigorously enforce regulations, broadcasters take a chance on every decision of that nature, which could result in a decision not to use prepackaged material at all. However, if through self-regulation, full disclosure occurs on every prepackaged news story, we will achieve the desired result. Broadcasters would have the information they need to provide proper disclaimers to their viewers about the sources of the material.

For example, if "Company Rx," a leading pharmaceutical company, commissions a public relations agency to produce a VNR, and that VNR is subsequently packaged by a VNR vendor and distributed to local affiliates via a broadcast service, like Fox News Edge, which then distributes the VNR or repackages portions of it to local TV stations, the source and content disclosure at every step should make it clear that the original source, sponsorship and funding of the material originated with Company Rx — *not* Fox News Edge, *not* the VNR distributor and *not* the public relations agency. It is the responsibility of each entity involved in the process — from Company Rx, to the PR agency, to the VNR vendor, to the broadcast syndicate — to clearly identify the original source of the VNR. Hence, if a broadcast network service distributes the VNR or a part of it to local affiliates, it must be clearly identified to those stations as a VNR sponsored by Company Rx so those stations will have the information they need to inform their audiences. Only if each entity in the process practices full disclosure can the public be fully informed.

Certainly there will always be room for improvement in the disclosure of sources and funding for materials supplied to broadcast media throughout the distribution chain. PRSA has taken steps to continuously stress to its members and others involved in the practice of public relations the absolutely essential requirement for transparency in building and maintaining credibility with the media and the public. We know others at all levels of the chain of prepackaged news — including distributors of materials and organizations representing broadcasters and journalists who use those materials to provide news to their viewers — take a similar position. The key to keeping the public fully informed and to building and maintaining credibility will be self regulation — instilling in all of us involved in the process a clear understanding of the need for such disclosure.

Summary Points on PRSA Position on FCC Regulations

PRSA has long held that prepackaged news stories, such as video news releases (VNRs) produced in a format most adaptable to electronic media, present information that meets public needs and interests.

Prepackaged news releases targeting wide audiences as well as specific audience segments for broadcast media remain important, positive tools for communication throughout the United States.

PRSA also believes that VNRs should be produced and disseminated with the highest levels of transparency, candor and honesty. That means PR professionals must in all cases reveal to

broadcasters the sponsors for the causes and interests represented and disclose all financial interests related to the prepackaged products.

Although PRSA does not disagree with the intent of legislation and regulation to require broadcasters to disclose sources of prepackaged information, the organization cautions that blanket extension of mandates on those who today are largely self-regulated would discourage the free flow of information in a democratic society.

PRSA suggest that broadcasters adhere closer to their own ethical standards on disclosure of sources of information, but PRSA opposes any initiative by government to proscribe a rigid standard format for how that disclosure must appear for presentation to broadcast audiences.

APPENDIX ONE

PRSA Member Code of Ethics

Preamble

Public Relations Society of America Member Code of Ethics 2000

- Professional Values
- Principles of Conduct
- Commitment and Compliance

This Code applies to PRSA members. The Code is designed to be a useful guide for PRSA members as they carry out their ethical responsibilities. This document is designed to anticipate and accommodate, by precedent, ethical challenges that may arise. The scenarios outlined in the Code provision are actual examples of misconduct. More will be added as experience with the Code occurs.

The Public Relations Society of America (PRSA) is committed to ethical practices. The level of public trust PRSA members seek, as we serve the public good, means we have taken on a special obligation to operate ethically.

The value of member reputation depends upon the ethical conduct of everyone affiliated with the Public Relations Society of America. Each of us sets an example for each other — as well as other professionals — by our pursuit of excellence with powerful standards of performance, professionalism, and ethical conduct.

Emphasis on enforcement of the Code has been eliminated. But, the PRSA Board of Directors retains the right to bar from membership or expel from the Society any individual who has been or is sanctioned by a government agency or convicted in a court of law of an action that is in violation of this Code.

Ethical practice is the most important obligation of a PRSA member. We view the Member Code of Ethics as a model for other professions, organizations, and professionals.

PRSA Member Statement of Professional Values

This statement presents the core values of PRSA members and, more broadly, of the public relations profession. These values provide the foundation for the Member Code of Ethics and set the industry standard for the professional practice of public relations. These values are the fundamental beliefs that guide our behaviors and decision-making process. We believe our professional values are vital to the integrity of the profession as a whole.

ADVOCACY

We serve the public interest by acting as responsible advocates for those we represent. We provide a voice in the marketplace of ideas, facts, and viewpoints to aid informed public debate.

HONESTY

We adhere to the highest standards of accuracy and truth in advancing the interests of those we represent and in communicating with the public.

EXPERTISE

We acquire and responsibly use specialized knowledge and experience. We advance the profession through continued professional development, research, and education. We build mutual understanding, credibility, and relationships among a wide array of institutions and audiences.

INDEPENDENCE

We provide objective counsel to those we represent. We are accountable for our actions.

LOYALTY

We are faithful to those we represent, while honoring our obligation to serve the public interest.

FAIRNESS

We deal fairly with clients, employers, competitors, peers, vendors, the media, and the general public. We respect all opinions and support the right of free expression.

PRSA Code Provisions

FREE FLOW OF INFORMATION

Core Principle

Protecting and advancing the free flow of accurate and truthful information is essential to serving the public interest and contributing to informed decision making in a democratic society.

Intent

- To maintain the integrity of relationships with the media, government officials, and the public.
- To aid informed decision-making.

Guidelines

A member shall:

- Preserve the integrity of the process of communication.
- Be honest and accurate in all communications.
- Act promptly to correct erroneous communications for which the practitioner is responsible.
- Preserve the free flow of unprejudiced information when giving or receiving gifts by ensuring that gifts are nominal, legal, and infrequent.

Examples of Improper Conduct under this Provision:

- A member representing a ski manufacturer gives a pair of expensive racing skis to a sports magazine columnist, to influence the columnist to write favorable articles about the product.
- A member entertains a government official beyond legal limits and/or in violation of government reporting requirements.

COMPETITION

Core Principle

Promoting healthy and fair competition among professionals preserves an ethical climate while fostering a robust business environment.

Intent

- To promote respect and fair competition among public relations professionals.
- To serve the public interest by providing the widest choice of practitioner options.

Guidelines

A member shall:

- Follow ethical hiring practices designed to respect free and open competition without deliberately undermining a competitor.
- Preserve intellectual property rights in the marketplace.

Examples of Improper Conduct under This Provision:

- A member employed by "client organization" shares helpful information with a counseling firm that is competing with others for the organization's business.
- A member spreads malicious and unfounded rumors about a competitor in order to alienate the competitor's clients and employees in a ploy to recruit people and business.

DISCLOSURE OF INFORMATION

Core Principle

Open communication fosters informed decision making in a democratic society.

Intent

- To build trust with the public by revealing all information needed for responsible decision making.

Guidelines

A member shall:

- Be honest and accurate in all communications.
- Act promptly to correct erroneous communications for which the member is responsible.
- Investigate the truthfulness and accuracy of information released on behalf of those represented.
- Reveal the sponsors for causes and interests represented.
- Disclose financial interest (such as stock ownership) in a client's organization.
- Avoid deceptive practices.

Examples of Improper Conduct under this Provision:

- Front groups: A member implements "grass roots" campaigns or letter-writing campaigns to legislators on behalf of undisclosed interest groups.
- Lying by omission: A practitioner for a corporation knowingly fails to release financial information, giving a misleading impression of the corporation's performance.
- A member discovers inaccurate information disseminated via a Web site or media kit and does not correct the information.
- A member deceives the public by employing people to pose as volunteers to speak at public hearings and participate in "grass roots" campaigns.

SAFEGUARDING CONFIDENCES

Core Principle

Client trust requires appropriate protection of confidential and private information.

Intent

- To protect the privacy rights of clients, organizations, and individuals by safeguarding confidential information.

Guidelines

A member shall:

- Safeguard the confidences and privacy rights of present, former, and prospective clients and employees.
- Protect privileged, confidential, or insider information gained from a client or organization.
- Immediately advise an appropriate authority if a member discovers that confidential information is being divulged by an employee of a client company or organization.

Examples of Improper Conduct under This Provision:

- A member changes jobs, takes confidential information, and uses that information in the new position to the detriment of the former employer.
- A member intentionally leaks proprietary information to the detriment of some other party.

CONFLICTS OF INTEREST

Core Principle

Avoiding real, potential or perceived conflicts of interest builds the trust of clients, employers, and the public.

Intent

- To earn trust and mutual respect with clients or employers.
- To build trust with the public by avoiding or ending situations that put one's personal or professional interests in conflict with society's interests.

Guidelines

A member shall:

- Act in the best interests of the client or employer, even subordinating the member's personal interests.
- Avoid actions and circumstances that may appear to compromise good business judgment or create a conflict between personal and professional interests.
- Disclose promptly any existing or potential conflict of interest to affected clients or organizations.
- Encourage clients and customers to determine if a conflict exists after notifying all affected parties.

Examples of Improper Conduct under This Provision

- The member fails to disclose that he or she has a strong financial interest in a client's chief competitor.
- The member represents a "competitor company" or a "conflicting interest" without informing a prospective client.

ENHANCING THE PROFESSION

Core Principle

Public relations professionals work constantly to strengthen the public's trust in the profession.

Intent

- To build respect and credibility with the public for the profession of public relations.
- To improve, adapt and expand professional practices.

Guidelines A member shall:

- Acknowledge that there is an obligation to protect and enhance the profession.

- Keep informed and educated about practices in the profession to ensure ethical conduct.
- Actively pursue personal professional development.
- Decline representation of clients or organizations that urge or require actions contrary to this Code.
- Accurately define what public relations activities can accomplish.
- Counsel subordinates in proper ethical decision making.
- Require that subordinates adhere to the ethical requirements of the Code.
- Report ethical violations, whether committed by PRSA members or not, to the appropriate authority.

Examples of Improper Conduct under This Provision:

- A PRSA member declares publicly that a product the client sells is safe, without disclosing evidence to the contrary.
- A member initially assigns some questionable client work to a non-member practitioner to avoid the ethical obligation of PRSA membership.

PRSA Member Code of Ethics Pledge

I pledge:

To conduct myself professionally, with truth, accuracy, fairness, and responsibility to the public; To improve my individual competence and advance the knowledge and proficiency of the profession through continuing research and education; And to adhere to the articles of the Member Code of Ethics 2000 for the practice of public relations as adopted by the governing Assembly of the Public Relations Society of America.

I understand and accept that there is a consequence for misconduct, up to and including membership revocation.

And, I understand that those who have been or are sanctioned by a government agency or convicted in a court of law of an action that is in violation of this Code may be barred from membership or expelled from the Society.

Signature

Date

APPENDIX TWO

Professional Standards Advisory PS-3 (August 2004)

TO: Members of the Public Relations Society of America

FROM: PRSA Board of Directors - PRSA Board of Ethics and Professional Standards

RE: Professional Standards Advisory PS-3 (August 2004) - "Front" Groups

All PRSA members pledge adherence to the Society's Member Code of Ethics. As issues arise relating to the practice of public relations, the Board of Ethics and Professional Standards (BEPS) is charged with providing guidance on such issues within the framework of the Code provisions. The PRSA Board of Directors then provides these guidelines through professional standards advisories. The PRSA Member Code of Ethics may be found online at www.prsa.org.

ISSUE: Representation of front groups with undisclosed sponsorships and/or deceptive or misleading descriptions of goals, causes, tactics, sponsors or participants.

BACKGROUND: As this year's political campaigns intensify, a variety of organizations — known as "front" groups — will surface on behalf of issues and candidates blindly sponsored by industries, organizations and individuals. PRSA members are reminded of the PRSA Code provision, "Disclosure of Information," that is based on the premise that open communication is essential for informed decision-making in a democratic society. The provision states that a member shall:

- Be honest and accurate in all communication.
- Act promptly to correct erroneous communication for which the member is responsible.
- Investigate the truthfulness and accuracy of information released on behalf of those represented.
- Reveal the sponsors for causes and interests represented.
- Disclose financial interest such as stock ownership of the client organization.
- Avoid deceptive practices.

RELEVANT SECTIONS OF THE PRSA CODE: At least three Code provisions and three professional values relate to this issue. They are:

Code provisions

Free Flow of Information. Protecting and advancing the free flow of accurate and truthful information is essential to serving the public interest and contributing to informed decision making in a democratic society.

Conflicts of Interest. Avoiding real, potential or perceived conflicts of interest builds the trust of clients, employers and the publics.

Enhancing the Profession. Public relations professionals work constantly to strengthen the public's trust in the profession.

Professional Values

- **Honesty.** We adhere to the highest standards of accuracy and truth in advancing the interests of those we represent and in communicating with the public.
- **Fairness.** We deal fairly with clients, employers, competitors, peers, vendors, the media and the general public.
- **Advocacy.** We serve the public interest by acting as responsible advocates for those we represent. We provide a voice in the marketplace of ideas, facts and viewpoints to aid informed public debate.

EXAMPLES: (Hypothetical examples provided to help in the front group recognition process.)

- Citizens for Tougher Tobacco Laws* (committed to passing legislation in every state that pre-empts all local smoking legislation resulting in lighter state standards)
- National Association for Good, Honest, Conservative Politicians* (committed to the defeat of liberal elected officials)
- Coalition for Better Food* (sponsored by farm interests dedicated to softening legislation on feed lot pollution)
- Automotive Safety Advocates* (coalition of auto parts manufacturers lobbying to lessen regulation on auto repairs at the state level nationwide)
- Sustainable Earth* (coalition of business organizations and interests committed to fighting tougher environmental legislation)
- PEACE People Everywhere Against Coercive Education* (religious organizations committed to getting prayer into schools)

*Hypothetical organization

RECOMMENDED PRACTICE: PRSA members should recognize that assisting front groups that represent undisclosed sponsorships and/or deceptive or misleading descriptions of goals, causes, tactics, sponsors or participants constitutes improper conduct under the PRSA Member Code of Ethics and should be avoided.

APPENDIX THREE

Statement of the Public Relations Society of America (PRSA) on Video News Releases (VNRs)

Extensive discussion was focused in recent weeks on a Video News Release (VNR) produced by the Department of Health and Human Services (DHHS) pertaining to the recently enacted Medicare drug bill. Content of the video release touched off partisan debate and discussion but also raised ethical questions about the use of VNRs. Because VNRs are a basic public relations tool used by corporations, organizations and other entities to provide news content to television stations and thus communicate with the public, PRSA believes that it is important for there to be a better understanding of the role and usage of VNRs.

Three principles are at work here:

- A VNR is the television equivalent of a press release and, as such, should always be truthful and represent the highest in ethical standards.
- Producers and distributors of VNRs and the organizations they represent should clearly and plainly identify themselves.
- Television stations airing VNRs should identify sources of the material.

Background: The VNR is the video equivalent of a press release, a written document sent to the media. The VNR is designed specifically for TV stations and consists of many elements including a complete story with visuals and narration/voiceovers, a suggested written script, added video that can be used by the station and suggested ways the story can be localized. Public relations professionals have produced VNRs in this manner for more than 25 years, and media outlets have used them on a regular basis.

Issue in Question: One of the issues raised about the DHHS VNR was the inclusion of a sign-off identification at the completion of the story that uses the words "reporting." This has caused some confusion among people who question whether someone who is not actually a reporter should be identified in a manner that could suggest that he or she is a journalist. While this is often done when VNRs are produced, we agree that this can be considered confusing and/or misleading.

PRSA Position:

1. Organizations that produce VNRs should clearly identify the VNR as such and fully disclose who produced and paid for it at the time the VNR is provided to TV stations.
2. PRSA recommends that organizations that prepare VNRs should not use the word "reporting" if the narrator is not a reporter.
3. Use of VNRs or footage provided by sources other than the station or network should be identified as to source by the media outlet when it is aired.

PRSA supports use of VNRs as useful public relations tools. They will continue to be effective when adhering to the highest standards of practice as described above.

April 20, 2004

Published at: [http://www.prsa.org/ News/leaders/vnrs0404.asp](http://www.prsa.org/News/leaders/vnrs0404.asp)

APPENDIX FOUR

Professional Standards Advisory PS-6 (APRIL 2005)

DATE: April 26, 2005

TO: Members of the Public Relations Society of America (PRSA)

FROM: PRSA Board of Directors
PRSA Board of Ethics and Professional Standards (BEPS)

RE: Professional Standards Advisory PS-6 (April 2005)

ISSUE: DISCLOSURE BY EXPERT COMMENTATORS AND PROFESSIONAL
SPOKESPERSONS OF PAYMENTS OR FINANCIAL INTERESTS

All PRSA members pledge adherence to the Society's Member Code of Ethics. As issues arise relating to the practice of public relations, BEPS is charged with providing guidance on such issues within the framework of the Code provisions. To provide that guidance, we continue this series of professional standards advisories. The PRSA Member Code of Ethics may be found online at www.prsa.org.

ISSUE: The failure of commentators and professional spokespersons to disclose that they have been paid to promote a cause or point of view, or that they have a financial interest in the products or organizations on which they purport to provide expert opinion, commentary or information.

BACKGROUND: In recent months, attention has been focused on commentators, some even posing as news reporters and expert analysts whose views were presumed to be independent, but who had been paid to endorse a cause or product and had not disclosed that relationship. In one controversy, syndicated columnists supported initiatives of the Administration but was later shown to have been paid fees by the government channeled through a public relations firm. Similarly, supposedly independent consumer product experts appeared on news programs and endorsed specific products, but were later found to have been paid for those endorsements or to have had prior financial relationships with the manufacturers.

RELEVANT SECTIONS OF THE PRSA CODE:

PART I: Code provisions related to this issue:

Free Flow of Information: Protecting and advancing the free flow of accurate and truthful information is essential to serving the public interest and contributing to informed decision making in a democratic society.

A member shall:

- Preserve the integrity of the process of communication.
- Be honest and accurate in all communications.
- Act promptly to correct erroneous communications for which the practitioner is responsible.

Disclosure of Information. Open communication fosters informed decision-making in a democratic society.

A member shall:

- Be honest and accurate in all communications.
- Act promptly to correct erroneous communications for which the member is responsible.
- Investigate the truthfulness and accuracy of information released on behalf of those represented.
- Reveal the sponsors for causes and interests represented.
- Disclose financial interest (such as stock ownership) in a client's organization.
- Avoid deceptive practices.

Conflicts of Interest. Avoiding real, potential or perceived conflicts of interest builds the trust of clients, employers and the publics.

A member shall:

- Act in the best interests of the client or employer, even subordinating the member's personal interests.
- Avoid actions and circumstances that may appear to compromise good business judgment or create a conflict between personal and professional interests.
- Disclose promptly any existing or potential conflict of interest to affected clients or organizations.
- Encourage clients and customers to determine if a conflict exists after notifying all affected parties.

Enhancing the Profession. Public relations professionals work constantly to strengthen the public's trust in the profession.

A member shall:

- Acknowledge that there is an obligation to protect and enhance the profession.
- Decline representation of clients or organizations that urge or require actions contrary to this Code.

PART II: Professional values related to this issue:

- **Advocacy.** We serve the public interest by acting as responsible advocates for those we represent. We provide a voice in the marketplace of ideas, facts and viewpoints to aid informed public debate.
- **Independence.** We provide objective counsel.
- **Honesty.** We adhere to the highest standards of accuracy and truth in advancing the interests of those we represent and in communicating with the public.

- Fairness. We deal fairly with clients, employers, competitors, peers, vendors, the media and the general public. We respect all opinions and support the right of free expression.

OPINION UNDERLYING RECOMMENDED STANDARDS

One of the foundations of a system of free expression is the presumed fairness and independence of reportage, analysis and commentary in the news media. In this system, a diversity of viewpoints and opinions needs to be heard, but must compete on the merits of argument and fact. When a point of view, organization or product is given an unfair advantage as a result of financial payments, it undermines the integrity of the system itself.

Spokespeople, commentators, product experts or others who offer opinions or points of view within the news media have a responsibility to disclose any financial relationships they may have with a person, organization, product or other entity on which they offer comment or perspective. This responsibility extends to public relations professionals who may enlist such spokespersons on behalf of a client. Moreover, the responsibility is an affirmative one: it cannot be left to reporters or others involved in the process.

Recommended Best Practice

1. To be proper, commercial relationships must be disclosed in advance or simultaneously in the same public forum to ensure that those affected or influenced can make informed and knowledgeable decisions.
2. Every participant in the chain of the financial relationship has an affirmative duty to disclose the relationship. Failure to disclose is improper conduct under the Code.
3. PRSA members have important responsibilities in such cases. The Code requires honesty and accuracy in all communications, and requires members to reveal the sponsors for causes and interests they represent and any financial interest they or their clients may have in the outcome of events or individual decisions.

Principal BEPS Author: Patrick Hirigoyen

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